

**Milwaukee County Employees' Retirement System (ERS)  
Investment Committee Meeting**

**MINUTES**

**Call to Order**

Pension Board Chairman, John Maier, called the meeting to order at 2:30 p.m. on May 2, 2011, in Room 203-P, Milwaukee County Courthouse, 901 N. 9<sup>th</sup> Street, Milwaukee, Wisconsin.

**Roll Call**

**Board Members Present:**

John Maier

Keith Garland

**Others Present:**

Dale Yerkes

Brett Christensen

Gerald Schroeder

Marian Ninneman

One handout was provided to the Board members and others in attendance:

- Marquette Associates – Monthly Flash Report dated 3/31/2011

**1. Topic: Monthly Flash Report – Marquette**

Brett gave an overview of the report. Exhibit 1 illustrates the review of Milwaukee County's private equity investments.

It was also noted that Barings is underperforming.

Brett next discussed the white paper contained in Exhibit III. The paper and recommendations are based on 15 years of statistical data. Marquette Associates recommends a non-US equity portfolio that takes advantage of the trends revealed through the analysis. This portfolio composition consists of 25% large-cap value, 25% large-cap core, 25% small-cap and 25% emerging markets (Portfolio 3 in exhibit 2).

The private equity allocation was also discussed. Comments of note included maintaining diversification of vintage year funds to achieve 3% target. Another option would be waiting for the Adams Street 2012 fund or do a secondary search.

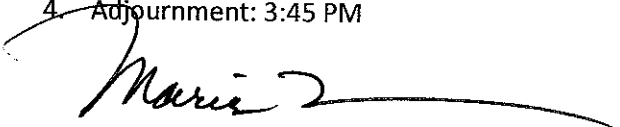
**2. Topic: RFP International Passive Indexing – Marquette**

Exhibit II of the report contains an RFP for Passive International Equity (MSCI ACWi ex U.S. IMI Index) management. The Pension Board would seek to identify one or more firms to manage a Passive International Equity allocation of approximately \$100 million. However, Brett did recommend keeping GMO on alert and suggested setting a date 4-6 months out. If they outperform, retain them. Decision was made to re-address at the end of the third quarter.

**3. Topic – Artisan Memo – Marquette**

Brett stated that Artisan is planning an IPO. As this is an event, they will need to be placed on alert. Recommends at next Pension Board meeting they be placed on alert.

**4. Adjournment: 3:45 PM**

  
Marian Ninneman  
Interim ERS Manager